



Department of Justice

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NATURAL GAS COMPANY PLEADS GUILTY IN ARKANSAS IN CONNECTION WITH FAYETTEVILLE SHALE PIPELINE CONSTRUCTION ACTIVITIES

WASHINGTON – Hawk Field Services LLC, a wholly-owned subsidiary of Houston-based Petrohawk Energy Corporation, pleaded guilty today in federal court in Little Rock, Ark., to charges stemming from the illegal take of endangered species in north-central Arkansas, the Department of Justice and the U.S. Attorney's Office for the Eastern District of Arkansas announced.

Hawk Field Services, pleaded guilty to three counts of violating the Endangered Species Act. The Endangered Species Act is a federal law that makes it illegal to take endangered species, by harassing the wildlife to such an extent that it significantly disrupts normal behavioral patterns such as breeding, feeding or sheltering.

According to the information filed in the case and today's plea agreement, Hawk Field Services, was engaged in gathering, conditioning and treating activities related to the development of natural gas properties in the Fayetteville Shale in north-central Arkansas. The Fayetteville Shale is an unconventional gas reservoir located in the Arkoma Basin in Arkansas, at a depth of approximately 1,500 to 6,500 feet and ranging in thickness from 100 to 500 feet. The South, Middle and Archey Forks of the Little Red River, and their tributaries, are located in steep, mountainous terrain within the Fayetteville Shale region and contain the endangered speckled pocket book mussel.

Hawk Field Services acquired and developed land in the Fayetteville Shale, on which wells and pipelines were installed. The pipelines are subsurface and were constructed by Hawk Field Services, across the streams by either trenching or using a technique known as directional drilling. In either case, Hawk Field Services cleared the land on both sides of a stream, exposing bare ground until the pipeline was installed and the land remediated, by re-seeding and re-foresting. In today's plea agreement, Hawk Field Services admitted that it did not adequately control erosion during construction, from October 2008 to April 2009, of the pipelines in the Little Red River watershed. This lack of erosion control allowed silt to run downhill to the streams, causing sediment to build up at the stream crossing and downstream. This erosion and sedimentation occurred in waters containing the endangered speckled pocketbook mussel, and caused a take of at least one mussel by harassment, in the South Fork, Little Fork and Archey Fork of the Little Red River.

The maximum penalty for a corporation for a violation of the Endangered Species Act includes a \$200,000 fine per count. According to the plea agreement filed today, Hawk Field Services agreed to pay a \$350,000 fine and to donate \$150,000 to the National Fish and Wildlife Foundation, for use in restoration projects in the Little Red River watershed. The sentencing hearing will be on a date to be determined by the court.

The case was investigated by the U.S. Fish & Wildlife Service, with assistance from the Arkansas Fish and Game Commission. The case is being jointly prosecuted by Assistant U.S. Attorney Edward O. Walker of the U.S. Attorney's Office for the Eastern District of Arkansas and Trial Attorney Todd S. Mikolop of the Environmental Crimes Section of the Justice Department's Environment and Natural Resources Division.

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